

Attachment C
Virginia Tangible Personal Property and Tangible Business Personal Property Rules

Code of Virginia

§ 58.1-3500. Defined and segregated for local taxation.

Tangible personal property shall consist of all personal property not otherwise classified by § 58.1-1100 as intangible personal property or by § 58.1-3510 as merchants' capital. Such tangible personal property is hereby segregated for and made subject to local taxation only pursuant to Article X, Section 4 of the Constitution of Virginia.

(Code 1950, §§ 58-829, 58-830; 1960, c. 418; 1970, c. 325; 1974, c. 445; 1975, cc. 47, 541; 1978, cc. 178, 656, 843; 1979, c. 576; 1980, c. 412; 1982, c. 633; 1984, cc. 675, 689.)

§ 58.1-3501. Tangible personal property leased to agency of federal, state or local government.

The aggregate of all tangible personal property owned by any person, firm, association, unincorporated company, or corporation which is leased by such owner to any agency or political subdivision of the federal, state or local governments shall be subject to local taxation.

(Code 1950, § 58-831.1; 1960, c. 239; 1975, c. 504; 1984, c. 675.)

§ 58.1-3502. Tangible personal property leased, loaned, or otherwise made available to a private party from agency of federal, state or local government.

Any person, firm, association, unincorporated company, or corporation engaged in business for profit who or which leases, borrows or otherwise has made available to it any tangible personal property to be used in such business from any agency or political subdivision of the federal, state or local governments shall be liable to local taxation, unless otherwise exempted or partially exempted by state or local laws, to the same extent, in the same manner, and on the same basis as if the lessee were the owner thereof. This section shall not apply to any such property owned by the Virginia Port Authority and leased in connection with the operation of piers and marine terminals and related facilities, or to property owned by any transportation district organized under the Transportation District Act of 1964 (§ 15.2-4500 et seq.) and leased to provide transportation services.

(Code 1950, § 58-831.2; 1960, c. 239; 1975, c. 504; 1980, c. 382; 1981, c. 442; 1984, c. 675.)

§ 58.1-3503. General classification of tangible personal property.

A. Tangible personal property is classified for valuation purposes according to the following separate categories which are not to be considered separate classes for rate purposes:

1. Farm animals, except as exempted under § 58.1-3505.

2. Farm machinery, except as exempted under § 58.1-3505.
3. Automobiles, except those described in subdivisions 7, 8 and 9 of this subsection and in subdivision A 8 of § 58.1-3504, which shall be valued by means of a recognized pricing guide or if the model and year of the individual automobile are not listed in the recognized pricing guide, the individual vehicle may be valued on the basis of percentage or percentages of original cost. In using a recognized pricing guide, the commissioner shall use either of the following two methods. The commissioner may use all applicable adjustments in such guide to determine the value of each individual automobile, or alternatively, if the commissioner does not utilize all applicable adjustments in valuing each automobile, he shall use the base value specified in such guide which may be either average retail, wholesale, or loan value, so long as uniformly applied within classifications of property. If the model and year of the individual automobile are not listed in the recognized pricing guide, the taxpayer may present to the commissioner proof of the original cost, and the basis of the tax for purposes of the motor vehicle sales and use tax as described in § 58.1-2405 shall constitute proof of original cost. If such percentage or percentages of original cost do not accurately reflect fair market value, or if the taxpayer does not supply proof of original cost, then the commissioner may select another method which establishes fair market value.
4. Trucks of less than two tons, which may be valued by means of a recognized pricing guide or, if the model and year of the individual truck are not listed in the recognized pricing guide, on the basis of a percentage or percentages of original cost.
5. Trucks and other vehicles, as defined in § 46.2-100, except those described in subdivisions 4, and 6 through 10 of this subsection, which shall be valued by means of either a recognized pricing guide using the lowest value specified in such guide or a percentage or percentages of original cost.
6. Manufactured homes, as defined in § 36-85.3, which may be valued on the basis of square footage of living space.
7. Antique motor vehicles, as defined in § 46.2-100, which may be used for general transportation purposes as provided in subsection C of § 46.2-730.
8. Taxicabs.
9. Motor vehicles with specially designed equipment for use by the handicapped, which shall not be valued in relation to their initial cost, but by determining their actual market value if offered for sale on the open market.
10. Motorcycles, campers and other recreational vehicles, which shall be valued by means of a recognized pricing guide or a percentage or percentages of original cost.
11. Boats weighing under five tons and boat trailers, which shall be valued by means of a recognized pricing guide or a percentage or percentages of original cost.

12. Boats or watercraft weighing five tons or more, which shall be valued by means of a percentage or percentages of original cost.
13. Aircraft, which shall be valued by means of a recognized pricing guide or a percentage or percentages of original cost.
14. Household goods and personal effects, except as exempted under § 58.1-3504.
15. Tangible personal property used in a research and development business, which shall be valued by means of a percentage or percentages of original cost.
16. Programmable computer equipment and peripherals used in business which shall be valued by means of a percentage or percentages of original cost to the taxpayer, or by such other method as may reasonably be expected to determine the actual fair market value.
17. All tangible personal property employed in a trade or business other than that described in subdivisions 1 through 16 of this subsection, which shall be valued by means of a percentage or percentages of original cost.
18. All other tangible personal property.

B. Methods of valuing property may differ among the separate categories, so long as each method used is uniform within each category, is consistent with requirements of this section and may reasonably be expected to determine actual fair market value as determined by the commissioner of revenue or other assessing official; however, assessment ratios shall only be used with the concurrence of the local governing body. A commissioner of revenue shall upon request take into account the condition of the property. The term "condition of the property" includes, but is not limited to, technological obsolescence of property where technological obsolescence is an appropriate factor for valuing such property. The commissioner of revenue shall make available to taxpayers on request a reasonable description of his valuation methods. Such commissioner, or other assessing officer, or his authorized agent, when using a recognized pricing guide as provided for in this section, may automatically extend the assessment if the pricing information is stored in a computer.

(Code 1950, §§ 58-829, 58-829.3, 58-829.5; 1960, c. 418; 1970, cc. 325, 655; 1974, c. 445; 1975, cc. 47, 541; 1976, c. 567; 1978, cc. 155, 178, 656, 843; 1979, c. 576; 1980, c. 412; 1981, c. 236; 1982, c. 633; 1984, cc. 675, 689; 1985, c. 105; 1987, c. 568; 1991, cc. 253, 255; 1994, c. 827; 1996, c. 529; 1997, cc. 192, 250, 433, 457.)

§ 58.1-3504. Classification of certain household goods and personal effects for taxation; governing body may exempt.

A. Notwithstanding any provision of § 58.1-3503, household goods and personal effects are hereby defined as separate items of taxation and classified as follows:

1. Bicycles.

2. Household and kitchen furniture, including gold and silver plates, plated ware, watches and clocks, sewing machines, refrigerators, automatic refrigerating machinery of any type, vacuum cleaners and all other household machinery, books, firearms and weapons of all kinds.
3. Pianos, organs, and all other musical instruments; phonographs, record players, and records to be used therewith; and radio and television instruments and equipment.
4. Oil paintings, pictures, statuary, curios, articles of virtu and works of art.
5. Diamonds, cameos or other precious stones and all precious metals used as ornaments or jewelry.
6. Sporting and photographic equipment.
7. Clothing and objects of apparel.
8. Antique motor vehicles as defined in § 46.2-100 which may not be used for general transportation purposes.
9. All other tangible personal property used by an individual or a family or household incident to maintaining an abode.

The classification above set forth shall apply only to such property owned and used by an individual or by a family or household incident to maintaining an abode.

The governing body of any county, city or town may, by ordinance duly adopted, exempt from taxation all of the above classes of household goods and personal effects.

B. Notwithstanding any provision set forth above, household appliances in residential rental property used by an individual or by a family or household incident to maintaining an abode shall be deemed to be fixtures and shall be assessed as part of the real property in which they are located.

For purposes of this subsection, "household appliances" shall mean all major appliances customarily used in a residential home and which are the property of the owner of the real estate, including, without limitation, refrigerators, stoves, ranges, microwave ovens, dishwashers, trash compactors, clothes dryers, garbage disposals and air conditioning units.

(Code 1950, § 58-829.1; 1958, c. 72; 1984, cc. 675, 768; 1997, c. 250.)

§ 58.1-3505. Classification of farm animals, certain grains, agricultural products, farm machinery, farm implements and equipment; governing body may exempt.

A. Farm animals, grains and other feeds used for the nurture of farm animals, agricultural products, farm machinery and farm implements are hereby defined as separate items of taxation and classified as follows:

1. Horses, mules and other kindred animals.
 2. Cattle.
 3. Sheep and goats.
 4. Hogs.
 5. Poultry.
 6. Grains and other feeds used for the nurture of farm animals.
 7. Grain; tobacco; wine produced by farm wineries as defined in § 4.1-100 and other agricultural products in the hands of a producer.
 8. Farm machinery other than the farm machinery described in subdivision 10, and farm implements, which shall include equipment and machinery used by farm wineries as defined in § 4.1-100 in the production of wine.
 9. Equipment used by farmers or farm cooperatives qualifying under § 521 of the Internal Revenue Code to manufacture industrial ethanol, provided that the materials from which the ethanol is derived consist primarily of farm products.
 10. Farm machinery designed solely for the planting, production or harvesting of a single product or commodity.
 11. Privately owned trailers as defined in § 46.2-100 that are primarily used by farmers in their farming operations for the transportation of farm animals or other farm products as enumerated in subdivisions A 1 through A 7 of this section.
- B. The governing body of any county, city or town may, by ordinance duly adopted, exempt in whole or in part from taxation, or provide a different rate of tax upon, all or any of the above classes of farm animals, grains and feeds used for the nurture of farm animals, farm machinery, implements or equipment set forth in subsection A.
- C. Grain; tobacco; wine produced by farm wineries as defined in § 4.1-100 and other agricultural products shall be exempt from taxation while in the hands of a producer.

(Code 1950, § 58-829.1:1; 1976, c. 560; 1979, c. 576; 1980, c. 314; 1984, cc. 150, 675; 1993, c. 866; 1998, c. 332; 2004, c. 556.)

§ 58.1-3506. Other classifications of tangible personal property for taxation.

A. The items of property set forth below are each declared to be a separate class of property and shall constitute a classification for local taxation separate from other classifications of tangible personal property provided in this chapter:

1. Boats or watercraft weighing five tons or more;
2. Aircraft having a maximum passenger seating capacity of no more than 50 which are owned and operated by scheduled air carriers operating under certificates of public convenience and necessity issued by the State Corporation Commission or the Civil Aeronautics Board;
3. All other aircraft not included in subdivision A 2 and flight simulators;
4. Antique motor vehicles as defined in § 46.2-100 which may be used for general transportation purposes as provided in subsection C of § 46.2-730;
5. Tangible personal property used in a research and development business;
6. Heavy construction machinery, including but not limited to land movers, bulldozers, front-end loaders, graders, packers, power shovels, cranes, pile drivers, forest harvesting and silvicultural activity equipment and ditch and other types of diggers;
7. Generating equipment purchased after December 31, 1974, for the purpose of changing the energy source of a manufacturing plant from oil or natural gas to coal, wood, wood bark, wood residue, or any other alternative energy source for use in manufacturing and any cogeneration equipment purchased to achieve more efficient use of any energy source. Such generating equipment and cogeneration equipment shall include, without limitation, such equipment purchased by firms engaged in the business of generating electricity or steam, or both;
8. Vehicles without motive power, used or designed to be used as manufactured homes as defined in § 36-85.3;
9. Computer hardware used by businesses primarily engaged in providing data processing services to other nonrelated or nonaffiliated businesses;
10. Privately owned pleasure boats and watercraft, 18 feet and over, used for recreational purposes only;
11. Privately owned vans with a seating capacity of not less than seven nor more than 15 persons, including the driver, used exclusively pursuant to a ridesharing arrangement as defined in § 46.2-1400;
12. Motor vehicles specially equipped to provide transportation for physically handicapped individuals;
13. Motor vehicles (i) owned by members of a volunteer rescue squad or volunteer fire department or (ii) leased by members of a volunteer rescue squad or volunteer fire department if the member is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle which is owned by each volunteer rescue squad member or volunteer fire department member, or leased by each volunteer rescue squad member or volunteer fire department member if the member is obligated by the terms of the lease to pay

tangible personal property tax on the motor vehicle, may be specially classified under this section, provided the volunteer rescue squad member or volunteer fire department member regularly responds to emergency calls. The volunteer shall furnish the commissioner of revenue, or other assessing officer, with a certification by the chief or head of the volunteer organization, that the volunteer is a member of the volunteer rescue squad or fire department who regularly responds to calls or regularly performs other duties for the rescue squad or fire department, and the motor vehicle owned or leased by the volunteer rescue squad member or volunteer fire department member is identified. The certification shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on the part of the member, to accept a certification after the January 31 deadline. In any county which prorates the assessment of tangible personal property pursuant to § 58.1-3516, a replacement vehicle may be certified and classified pursuant to this subsection when the vehicle certified as of the immediately prior January date is transferred during the tax year;

14. Motor vehicles (i) owned by auxiliary members of a volunteer rescue squad or volunteer fire department or (ii) leased by auxiliary members of a volunteer rescue squad or volunteer fire department if the member is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle which is regularly used by each auxiliary volunteer fire department or rescue squad member may be specially classified under this section. The auxiliary member shall furnish the commissioner of revenue, or other assessing officer, with a certification by the chief or head of the volunteer organization, that the volunteer is an auxiliary member of the volunteer rescue squad or fire department who regularly performs duties for the rescue squad or fire department, and the motor vehicle is identified as regularly used for such purpose; however, if a volunteer rescue squad or fire department member and an auxiliary member are members of the same household, that household shall be allowed no more than two special classifications under this subdivision or subdivision 13 of this section. The certification shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on the part of the member, to accept a certification after the January 31 deadline;

15. Motor vehicles owned by a nonprofit organization and used to deliver meals to homebound persons or provide transportation to senior or handicapped citizens in the community to carry out the purposes of the nonprofit organization;

16. Privately owned camping trailers as defined in § 46.2-100, and privately owned travel trailers as defined in § 46.2-1900, which are used for recreational purposes only, and privately owned trailers as defined in § 46.2-100 that are designed and used for the transportation of horses except those trailers described in subdivision A 11 of § 58.1-3505;

17. One motor vehicle owned and regularly used by a veteran who has either lost, or lost the use of, one or both legs, or an arm or a hand, or who is blind or who is permanently and totally disabled as certified by the Department of Veterans Services. In order to qualify, the veteran shall provide a written statement to the commissioner of revenue or other assessing officer from the Department of Veterans Services that the veteran has been so designated or classified by the

Department of Veterans Services as to meet the requirements of this section, and that his disability is service-connected. For purposes of this section, a person is blind if he meets the provisions of § 46.2-739;

18. Motor vehicles (i) owned by persons who have been appointed to serve as auxiliary police officers pursuant to Article 3 (§ 15.2-1731 et seq.) of Chapter 17 of Title 15.2 or (ii) leased by persons who have been so appointed to serve as auxiliary police officers if the person is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle which is regularly used by each auxiliary police officer to respond to auxiliary police duties may be specially classified under this section. In order to qualify for such classification, any auxiliary police officer who applies for such classification shall identify the vehicle for which this classification is sought, and shall furnish the commissioner of revenue or other assessing officer with a certification from the governing body which has appointed such auxiliary police officer or from the official who has appointed such auxiliary officers. That certification shall state that the applicant is an auxiliary police officer who regularly uses a motor vehicle to respond to auxiliary police duties, and it shall state that the vehicle for which the classification is sought is the vehicle which is regularly used for that purpose. The certification shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on the part of the member, to accept a certification after the January 31 deadline;

19. Until the first to occur of June 30, 2009, or the date that a special improvements tax is no longer levied under § 15.2-4607 on property within a Multicounty Transportation Improvement District created pursuant to Chapter 46 (§ 15.2-4600 et seq.) of Title 15.2, tangible personal property that is used in manufacturing, testing, or operating satellites within a Multicounty Transportation Improvement District, provided that such business personal property is put into service within the District on or after July 1, 1999;

20. Motor vehicles which use clean special fuels as defined in § 46.2-749.3;

21. Wild or exotic animals kept for public exhibition in an indoor or outdoor facility which is properly licensed by the federal government, the Commonwealth, or both, and which is properly zoned for such use. "Wild animals" means any animals which are found in the wild, or in a wild state, within the boundaries of the United States, its territories or possessions. "Exotic animals" means any animals which are found in the wild, or in a wild state, and are native to a foreign country;

22. Furniture, office, and maintenance equipment, exclusive of motor vehicles, which are owned and used by an organization whose real property is assessed in accordance with § 58.1-3284.1 and which is used by that organization for the purpose of maintaining or using the open or common space within a residential development;

23. Motor vehicles, trailers and semitrailers with a gross vehicle weight of 10,000 pounds or more used to transport property for hire by a motor carrier engaged in interstate commerce;

24. All tangible personal property employed in a trade or business other than that described in subdivisions A 1 through A 18, except for subdivision A 17, of § 58.1-3503;
25. Programmable computer equipment and peripherals employed in a trade or business;
26. Privately owned pleasure boats and watercraft, motorized and under 18 feet, used for recreational purposes only;
27. Privately owned pleasure boats and watercraft, nonmotorized and under 18 feet, used for recreational purposes only;
28. Privately owned motor homes as defined in § 46.2-100 that are used for recreational purposes only;
29. Tangible personal property used in the provision of Internet services. For purposes of this subdivision, "Internet service" means a service, including an Internet Web-hosting service, that enables users to access content, information, electronic mail, and the Internet as part of a package of services sold to customers;
30. Motor vehicles (i) owned by persons who serve as auxiliary, reserve or special deputy sheriffs or (ii) leased by persons who serve as auxiliary, reserve or special deputy sheriffs if the person is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. For purposes of this subdivision, the term "auxiliary deputy sheriff" means auxiliary, reserve or special deputy sheriff. One motor vehicle that is regularly used by each auxiliary deputy sheriff to respond to auxiliary deputy sheriff duties may be specially classified under this section. In order to qualify for such classification, any auxiliary deputy sheriff who applies for such classification shall identify the vehicle for which this classification is sought, and shall furnish the commissioner of revenue or other assessing officer with a certification from the governing body that has appointed such auxiliary deputy sheriff or from the official who has appointed such auxiliary deputy sheriff. That certification shall state that the applicant is an auxiliary deputy sheriff who regularly uses a motor vehicle to respond to such auxiliary duties, and it shall state that the vehicle for which the classification is sought is the vehicle that is regularly used for that purpose. The certification shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on the part of the member, to accept a certification after the January 31 deadline;
31. Forest harvesting and silvicultural activity equipment; and
32. Equipment used primarily for research, development, production, or provision of biotechnology for the purpose of developing or providing products or processes for specific commercial or public purposes, including, but not limited to, medical, pharmaceutical, nutritional, and other health-related purposes; agricultural purposes; or environmental purposes but not for human cloning purposes as defined in § 32.1-162.21 or for products or purposes related to human embryo stem cells. For purposes of this section, biotechnology equipment means equipment directly used in activities associated with the science of living things.

B. The governing body of any county, city or town may levy a tax on the property enumerated in subsection A at different rates from the tax levied on other tangible personal property. The rates of tax and the rates of assessment shall (i) for purposes of subdivisions 1, 2, 3, 4, 6, 9 through 18, 20 through 22, and 24 through 32 of subsection A, not exceed that applicable to the general class of tangible personal property, (ii) for purposes of subdivisions A 5, A 7, A 19, and A 23, not exceed that applicable to machinery and tools, and (iii) for purposes of subdivision A 8, equal that applicable to real property.

C. (Effective January 1, 2006) Notwithstanding any other provision of this section, for any qualifying vehicle, as such term is defined in § 58.1-3523, (i) included in any separate class of property in subsection A and (ii) assessed for tangible personal property taxes by a county, city, or town receiving a payment from the Commonwealth under Chapter 35.1 of this title for providing tangible personal property tax relief, the county, city, or town may levy the tangible personal property tax on such qualifying vehicle at a rate not to exceed the rates of tax and rates of assessment required under such chapter.

(Code 1950, §§ 58-829.2:1, 58-829.3, 58-829.5 to 58-829.9, 58-831.01; 1960, c. 418; 1970, c. 655; 1976, c. 567; 1978, c. 155; 1979, cc. 351, 576; 1980, c. 412; 1981, cc. 236, 445; 1982, c. 633; 1984, c. 675; 1985, c. 220; 1986, c. 195; 1988, c. 822; 1989, cc. 80, 694; 1990, cc. 677, 693; 1991, cc. 247, 330, 478; 1992, cc. 642, 680; 1993, c. 100; 1994, cc. 171, 221, 266, 631; 1995, c. 142; 1996, cc. 537, 603, 605; 1997, cc. 244, 250, 433, 457; 1999, cc. 289, 358; 2000, cc. 409, 413, 441, 442, 604; 2001, cc. 41, 447; 2002, cc. 6, 63, 148, 337; 2003, cc. 657, 670; 2004, cc. 4, 556, 591; 2004, Sp. Sess. I, c. 1.)

§ 58.1-3506.1. (Effective until January 1, 2006) Other classification for taxation of certain tangible personal property owned by certain elderly and handicapped persons.

The governing body of any county, city or town may, by ordinance, levy a tax on one motor vehicle owned and used primarily by or for anyone at least sixty-five years of age or anyone found to be permanently and totally disabled, as defined in § 58.1-3506.3, at a different rate from the tax levied on other tangible personal property, upon such conditions as the ordinance may prescribe. Such rate shall not exceed the tax rates levied on other motor vehicles. For purposes of this article, the term motor vehicle shall include only automobiles and pickup trucks. Any such motor vehicle owned by a husband and wife may qualify if either spouse is sixty-five or over or if either spouse is permanently and totally disabled.

(1991, c. 646.)

§ 58.1-3506.1. (Effective January 1, 2006) Other classification for taxation of certain tangible personal property owned by certain elderly and handicapped persons.

The governing body of any county, city or town may, by ordinance, levy a tax on one motor vehicle owned and used primarily by or for anyone at least 65 years of age or anyone found to be permanently and totally disabled, as defined in § 58.1-3506.3, at a different rate from the tax levied on other tangible personal property, upon such conditions as the ordinance may prescribe. Such rate shall not exceed the tangible personal property tax on the general class of tangible

personal property. For purposes of this article, the term motor vehicle shall include only automobiles and pickup trucks. Any such motor vehicle owned by a husband and wife may qualify if either spouse is 65 or over or if either spouse is permanently and totally disabled. Notwithstanding any other provision of this section or article, for any automobile or pickup truck that is (i) a qualifying vehicle, as such term is defined in § 58.1-3523, and (ii) assessed for tangible personal property taxes by a county, city, or town receiving a payment from the Commonwealth under Chapter 35.1 of this title for providing tangible personal property tax relief, the rate of tax levied pursuant to this article shall not exceed the rates of tax and rates of assessment required under such chapter.

(1991, c. 646; 2004, Sp. Sess. I, c. 1.)

§ 58.1-3506.2. Restrictions and conditions.

Any difference in the rates for purposes of this section shall be subject to the following restrictions and conditions:

1. The total combined income received, excluding the first \$7,500 of income, at the option of the local government, from all sources during the preceding calendar year by the owner of the motor vehicle shall not exceed the greater of \$30,000 or the income limits based on family size for the respective metropolitan statistical area, annually published by the Department of Housing and Urban Development for qualifying for federal housing assistance pursuant to § 235 of the National Housing Act (12 U.S.C. § 1715z).
2. The owner's net financial worth, including the present value of all equitable interests, as of December 31 of the immediately preceding calendar year, excluding the value of the principal residence and the land, not exceeding one acre, upon which it is situated, shall not exceed \$75,000. The local government may also exclude such furnishings as furniture, household appliances and other items typically used in a home.
3. Notwithstanding the provisions of subdivisions 1 and 2 of this section, in any county, city or town having a 1990 population of more than 500,000 and any county, city or town adjacent thereto or the Cities of Manassas, Manassas Park, Chesapeake, Portsmouth, Suffolk or Virginia Beach, the County of Chesterfield, or the Town of Leesburg, the board of supervisors or council may, by ordinance, raise the income and financial worth limitations for any reductions under this article to a maximum of the greater of \$52,000 or the income limits based upon family size for the respective metropolitan statistical area, published annually by the Department of Housing and Urban Development for qualifying for federal housing assistance pursuant to § 235 of the National Housing Act (12 U.S.C. § 1715z), for the total combined income amount, and \$195,000 for the maximum net financial worth amount which shall exclude the value of the principal residence and the land, not exceeding one acre, upon which it is located.
4. All income and net worth limitations shall be computed by aggregating the income and assets, as the case may be, of a husband and wife who reside in the same dwelling and shall be applied to any owner of the motor vehicle who seeks the benefit of the preferential tax rate permitted under this article, irrespective of how such motor vehicle may be titled.

(1991, c. 646; 1998, c. 361.)

§ 58.1-3506.3. Permanently and totally disabled defined.

For purposes of this article, the term "permanently and totally disabled" means unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment or deformity which can be expected to result in death or can be expected to last for the duration of such person's life; however, a certification pursuant to 42 U.S.C. § 423 (d) by the Social Security Administration, so long as the person remains eligible for such Social Security benefits, shall be deemed to satisfy such definition in this section.

(1991, c. 646.)

§ 58.1-3506.4. Local restrictions and conditions; model ordinance.

Notwithstanding the provisions of subdivisions 1, 2, and 3 of § 58.1-3506.2, the governing body of a county, city or town may by ordinance specify lower income and financial worth figures. The governing body also may prescribe by ordinance for a maximum amount of tax relief hereunder based on the assessed value of the motor vehicle or a formula which takes into account the income and financial worth levels of the individual seeking the benefit of the preferential tax rate. The Department of Taxation shall develop a model ordinance to assist local governments with the implementation and enforcement of this article.

(1991, c. 646.)

§ 58.1-3506.5. Application.

A. The person applying under this article shall file annually with the commissioner of the revenue of the county, city or town assessing officer, or such other officer as may be designated by the governing body, on forms to be supplied by the county, city or town concerned, an affidavit setting forth that the total combined net worth, including equitable interests and the combined income from all sources, of the persons specified in § 58.1-3506.2 does not exceed the limits prescribed in such ordinance.

B. In lieu of the annual affidavit filing requirement, a county, city or town may prescribe by ordinance for the filing of the affidavit on a three-year cycle with an annual certification by the taxpayer that no information contained on the last preceding affidavit filed has changed to violate the limitations and conditions provided herein.

C. Notwithstanding the provisions of subsections A, B, and E of this section, any county, city or town may, by local ordinance, prescribe (i) the content of the affidavit described in subsection A, subject to the requirements established in § 58.1-3506.2, and (ii) the frequency with which an affidavit, or certification as described in subsection B of this section must be filed, and may include a procedure for late filing of affidavits.

D. If such person is under sixty-five years of age, the form shall have attached thereto a certification by the Social Security Administration, the Department of Veterans Affairs or the Railroad Retirement Board or, if such person is not eligible for certification by any of these agencies, a sworn affidavit by two medical doctors who are either licensed to practice medicine in the Commonwealth or are military officers on active duty who practice medicine with the United States Armed Forces, to the effect that the person is permanently and totally disabled, as defined in § 58.1-3506.3. The affidavit of at least one of the doctors shall be based upon a physical examination of the person by the doctor. The affidavit of one of the doctors may be based upon medical information contained in the records of the Civil Service Commission which is relevant to the standards for determining permanent and total disability as defined in § 58.1-3506.3.

E. Such affidavit or certification shall be filed after January 1 of each year, but before April 1, or such later date as may be fixed by ordinance. Such ordinance may include a procedure for late filing by first-time applicants or for hardship cases.

F. The commissioner of the revenue or town assessing officer, or another officer designated by the governing body of the county, city or town, shall also make any other reasonably necessary inquiry of persons applying under this article, requiring answers under oath, to determine qualifications as specified herein, including qualification as permanently and totally disabled as defined in § 58.1-3506.3, or as specified by county, city or town ordinance. The local governing body may, in addition, require the production of certified tax returns to establish the income or financial worth of any applicant for tax relief.

(1991, c. 646.)

§ 58.1-3506.6. Notice of local tangible personal property tax relief program for the elderly and handicapped.

The treasurer of any county, city or town shall enclose written notice, in each tangible personal property tax bill, of the terms and conditions of any local tangible personal property tax relief program established in the jurisdiction pursuant to § 58.1-3506.1. The treasurer shall also employ any other reasonable means necessary to notify residents of the county, city or town about the terms and conditions of the tangible personal property tax relief program for elderly and handicapped residents of the county, city or town.

(1991, c. 646.)

§ 58.1-3506.7. Effective date; change in circumstances.

A reclassification enacted pursuant to § 58.1-3506.1 may be granted for any year following the date that the qualifying individual reaches the age of sixty-five years or for any year following the date the disability occurred. Changes in income, financial worth, ownership of property or other factors occurring during the taxable year for which an affidavit is filed and having the effect of exceeding or violating the limitations and conditions provided herein or by county, city or town ordinance shall nullify any preferential tax rate for the remainder of the current taxable

year and the taxable year immediately following. However, any locality may by ordinance provide a prorated preferential tax rate for the portion of the taxable year during which the taxpayer qualified for such rate.

(1991, c. 646.)

§ 58.1-3506.8. .

Not set out.

§ 58.1-3507. Certain machinery and tools segregated for local taxation only.

A. Machinery and tools, except machinery and equipment used by farm wineries as defined in § 4.1-100, used in a manufacturing, mining, water well drilling, processing or reprocessing, radio or television broadcasting, dairy, dry cleaning or laundry business shall be listed and are hereby segregated as a class of tangible personal property separate from all other classes of property and shall be subject to local taxation only. The rate of tax imposed by a county, city or town on such machinery and tools shall not exceed the rate imposed upon the general class of tangible personal property.

B. Machinery and tools segregated for local taxation pursuant to subsection A, other than energy conservation equipment of manufacturers, shall be valued by means of depreciated cost or a percentage or percentages of original total capitalized cost excluding capitalized interest.

C. All motor vehicles which are registered pursuant to § 46.2-600 with the Department of Motor Vehicles and owned by persons engaged in those businesses set forth in subsection A shall be taxed as tangible personal property by the county, city or town in accordance with the provisions of this chapter. All other motor vehicles and delivery equipment owned by persons engaged in those businesses set forth in subsection A shall be included in and taxed as machinery and tools.

(Code 1950, §§ 58-405, 58-831; 1979, c. 351; 1980, c. 412; 1981, c. 145; 1982, c. 633; 1983, cc. 552, 555; 1984, cc. 150, 675, 679, 680; 1985, c. 221; 1992, c. 680; 1993, cc. 78, 866; 1999, c. 396.)

§ 58.1-3508. Separate classification and exemption from state taxation of machinery, tools and supplies used in harvesting forest products.

A. Machinery or tools and repair parts therefor or replacements thereof, used directly in the harvesting of forest products for sale or for use as a component part of a product to be sold, shall constitute a classification for local taxation separate from other such classifications of real or personal property or machinery and tools as defined in § 58.1-3507. The rate of assessment and the rate of tax shall not exceed that applicable generally to machinery and tools.

B. The provisions of this section shall be applicable only to taxpayers liable for payment of forest product taxes under Chapter 16 (§ 58.1-1600 et seq.) of this title.

(Code 1950, § 58-838.21; 1972, c. 325; 1984, c. 675.)

§ 58.1-3508.1. Separate classification of machinery and tools used in semiconductor manufacturing.

Machinery and tools used in semiconductor manufacturing shall constitute a classification for local taxation separate from other classifications of machinery and tools as defined in § 58.1-3507. The governing body of any county, city or town may levy a tax on such classification of property at a different rate from the tax levied on other machinery and tools. The rate of tax and the rate of assessment shall not exceed that applicable generally to machinery and tools.

(1996, c. 971; 1997, c. 77.)

§ 58.1-3509. Merchants' capital subject to local taxation; rate limit.

The capital of merchants is segregated for local taxation only; however, no county, city or town shall be required to impose a tax on such capital. However, no rate or assessment ratio in any county, city or town for merchants' capital shall be greater than such rate and ratio as was in effect in such county, city or town on January 1, 1978.

(Code 1950, §§ 58-266.1, 58-832; 1950, p. 155; 1956, c. 242; 1964, c. 424; 1968, c. 619; 1970, cc. 231, 547; 1974, cc. 196, 438; 1975, cc. 23, 621; 1976, cc. 521, 719; 1977, c. 320; 1978, cc. 772, 799, 817; 1979, cc. 565, 568, 570; 1980, cc. 318, 736; 1981, cc. 419, 636; 1982, cc. 348, 548, 552, 554, 558, 633; 1983, c. 554; 1984, cc. 247, 675, 695; 1999, c. 200.)

§ 58.1-3510. Definition of merchants' capital.

A. Merchants' capital is defined as follows: Inventory of stock on hand; daily rental vehicles as defined in § 58.1-2401; daily rental property as defined below; and all other taxable personal property of any kind whatsoever, except money on hand and on deposit and except tangible personal property not offered for sale as merchandise, which tangible personal property shall be reported and assessed as such.

For purposes of this section, a repair and service operation (i) carried on as an integral part of and in conjunction with a business that is primarily mercantile and (ii) the principal sales of such business are subject to the tax imposed by Chapter 24 (§ 58.1-2400 et seq.) of this title shall be deemed a mercantile business, and all capital, as defined herein, including all repair parts, materials and supplies associated with such repair and service operation shall be deemed merchants' capital.

B. For purposes of this section, "daily rental property" means all tangible personal property held for rental and owned by a person engaged in the short-term rental business, except trailers as defined in § 46.2-100 and other tangible personal property required to be licensed or registered with the Department of Motor Vehicles, Department of Game and Inland Fisheries, or the Department of Aviation.

C. A person is engaged in the short-term rental business if not less than eighty percent of the gross rental receipts of such business in any year are from transactions involving rental periods of ninety-two consecutive days or less, including all extensions and renewals to the same person or a person affiliated with the lessor. "Affiliated" for purposes of this subsection shall mean any common ownership interest in excess of five percent of any officers or partners in common with the lessor and lessee. For purposes of this test, (i) any rental to a person affiliated with the lessor shall be treated as rental receipts but shall not qualify for purposes of the eighty percent requirement, and (ii) any rental of personal property which also involves the provision of personal services for the operation of the personal property rented shall not be treated as gross receipts from rental. For purposes of this section, the delivery and installation of tangible personal property shall not mean operation.

D. Except for daily rental vehicles, rental property that is not daily rental property shall be classified pursuant to § 58.1-3503.

E. For purposes of valuing lottery tickets as part of a dealer's inventory, cost shall include only the compensation payable to a licensed sales agent as provided by rules or regulations adopted by the Board consistent with the provisions of subdivision 11 of subsection A of § 58.1-4007. The value of lottery tickets shall not be based on the cost of the tickets to the merchant.

(Code 1950, §§ 58-266.1, 58-833; 1950, p. 155; 1956, c. 242; 1964, cc. 424, 472; 1968, c. 619; 1970, cc. 231, 547; 1974, cc. 196, 438; 1975, cc. 23, 621; 1976, cc. 521, 719; 1977, cc. 56, 320; 1978, cc. 772, 799, 817; 1979, cc. 565, 568, 570; 1980, cc. 318, 736; 1981, cc. 145, 419, 636; 1982, cc. 348, 548, 552, 554, 558, 633; 1983, cc. 544, 554; 1984, cc. 247, 675, 695; 1987, cc. 572, 591; 1989, c. 589; 1990, c. 151; 1997, c. 853.)

§ 58.1-3510.01. Separate classification of merchants' capital of pharmaceutical wholesalers.

Merchants' capital reported as inventory of pharmaceutical wholesalers shall constitute a classification for local taxation separate from other classifications of merchants' capital as defined in § 58.1-3510. The governing body of any county, city or town may levy a tax on such inventory at different rates from the tax levied on other merchants' capital. The rates of tax and the rates of assessment shall not exceed that applicable generally to merchants' capital.

(1997, c. 71.)

§ 58.1-3510.1. Daily rental property tax.

A. The governing body of any county, city or town may levy a tax in an amount not to exceed one percent, in addition to the tax levied pursuant to § 58.1-605, on the gross proceeds of any person engaged in the short-term rental business as defined in § 58.1-3510. "Gross proceeds" means the total amount charged to each person for the rental of daily rental property, excluding any state and local sales tax paid under the provisions of Chapter 6 (§ 58.1-600 et seq.) of this title.

B. Any person engaged in the short-term rental business as defined in § 58.1-3510 shall collect the rental tax from the lessee of the daily rental property at the time of the rental. The lessor of the daily rental property shall transmit a quarterly return to the commissioner of the revenue of the county, city or town wherein the tax is collected, indicating the gross proceeds derived from the short-term rental business. The commissioner of the revenue shall assess the tax due, and the treasurer or director of finance shall collect the daily rental property tax.

C. Notwithstanding the provisions of subsection B, no tax shall be collected or assessed on (i) rentals by the Commonwealth, any political subdivision of the Commonwealth or the United States or (ii) any rental of durable medical equipment as defined in subdivision 10 of § 58.1-609.10.

(1989, c. 589; 1990, c. 164; 1993, c. 310; 2003, cc. 757, 758.)

§ 58.1-3510.2. Renter's certificate of registration.

Every person engaging in the business of short-term rental of tangible personal property shall file an application for a certificate of registration with the commissioner of the revenue of the county, city or town wherein the business is conducted. The application shall be on a form prescribed by the commissioner of the revenue and shall set forth the name under which the applicant intends to operate the rental business, the location and such other information as the commissioner may require.

Each applicant shall sign the application as owner of the rental business. If the rental business is owned by an association, partnership or corporation, the application shall be signed by a member, partner, executive officer or other person specifically authorized by the association, partnership or corporation to sign.

Upon approval of the application by the commissioner, a certificate of registration shall be issued. The certificate shall be conspicuously displayed at all times at the place of business for which it is issued.

The certificate is not assignable and shall be valid only for the person in whose name it is issued and the place of business designated.

(1989, c. 589.)

§ 58.1-3510.3. Exemptions; penalties.

Provisions in §§ 58.1-609.1 through 58.1-609.11 of Chapter 6 relating to exemptions, §§ 58.1-635 and 58.1-636 relating to penalties, and § 58.1-625 relating to the manner of collecting the local retail sales and use tax applicable in Chapter 6 (§ 58.1-600 et seq.) of this title, shall apply mutatis mutandis to the daily rental property tax, except that the commissioner of revenue shall assess the tax due, and the treasurer or director of finance shall collect the daily rental property tax, instead of the Department of Taxation. Any other provision in Chapter 6 shall apply if adopted by local ordinance pursuant to § 58.1-3510.1.

(1989, c. 589; 1990, c. 164; 1993, c. 310; 2003, cc. 757, 758.)

§ 58.1-3511. Situs for assessment; nonresident exception; refund of tax paid to city or county; apportioned assessment.

A. The situs for the assessment and taxation of tangible personal property, merchants' capital and machinery and tools shall in all cases be the county, district, town or city in which such property may be physically located on the tax day. However, the situs for purposes of assessment of motor vehicles, travel trailers, boats and airplanes as personal property shall be the county, district, town or city where the vehicle is normally garaged, docked or parked; except, (i) the situs for vehicles with a weight of 10,000 pounds or less registered in Virginia but normally garaged, docked or parked in another state shall be the locality in Virginia where registered; and (ii) if the owner of a business files a return pursuant to § 58.1-3518 for any vehicle with a weight of 10,000 pounds or less registered in Virginia and used in the business with the locality from which the use of such vehicle is directed or controlled and in which the owner's business has a definite place of business, as defined in § 58.1-3700.1, the situs for such vehicles shall be such locality, provided such owner has sufficient evidence that he has paid the personal property tax on the business vehicles to such locality. Any person domiciled in another state, whose motor vehicle is principally garaged or parked in this Commonwealth during the tax year, shall not be subject to a personal property tax on such vehicle upon a showing of sufficient evidence that such person has paid a personal property tax on the vehicle in the state in which he is domiciled. In the event it cannot be determined where such personal property, described herein, is normally garaged, stored or parked, the situs shall be the domicile of the owner of such personal property. However, in the event the owner of the motor vehicle is a full-time student attending an institution of higher education, the situs shall be the domicile of such student, provided the student has presented sufficient evidence that he has paid a personal property tax on the motor vehicle in his domicile. Any person who shall pay a personal property tax on a motor vehicle to a county or city in this Commonwealth and a similar tax on the same vehicle in the state of his domicile, or in the state where such vehicle is normally garaged, docked, or parked, may apply to such county or city for a refund of such tax payment. Upon a showing of sufficient evidence that such person has paid the tax for the same year in the state in which he is domiciled, the county or city may refund the amount of such payment.

B. The assessment of motor vehicles, travel trailers, boats or airplanes operating over interstate routes, in the rendition of a common, contract or other private carrier service which are subject to property taxation in any other state on the basis of an apportioned assessment, shall be apportioned in the same percentage as the total number of miles traveled in the Commonwealth by such vehicle bears to the total number of miles traveled by such vehicle.

(Code 1950, § 58-834; 1972, c. 185; 1974, c. 510; 1980, c. 105; 1981, c. 437; 1984, c. 675; 1985, c. 156; 1994, cc. 961, 962; 1995, c. 449; 1998, c. 894; 2003, cc. 34, 43.)

§ 58.1-3512. When vessels and containers used in interstate and foreign commerce not deemed to have acquired a situs for taxation.

Vessels regularly engaged in interstate and foreign commerce, physically present in a county, city or town on the first day of the tax year for the purpose of taking on and discharging passengers and cargo, either or both, or for the purpose of repairs, or temporarily idle and laid up, and containers, boxes, cartons, crates, barges and similar receptacles used for the storage of cargo, merchandise or equipment to be transported by vessels to or from ports of the Commonwealth, temporarily located in a county, city or town, shall not thereby be deemed to have acquired or established situs for the purposes of assessment and taxation, under § 58.1-3511.

(Code 1950, § 58-834.1; 1950, p. 224; 1976, c. 716; 1984, c. 675.)

§ 58.1-3513. When imports deemed to acquire situs.

Goods imported in foreign commerce shall not acquire a situs for property taxation in the Commonwealth or any county, city or town thereof until they lose their status as imports. Such goods shall be deemed to lose their status as imports when the original package or container in which they were imported is broken, or if such goods are not packaged, when such property has reached its second place of rest or storage after being unloaded from the airplane, vehicle or vessel in which it was imported, after initial sale, or after such goods have been committed by the importer to current operational needs.

(Code 1950, § 58-834.2; 1976, c. 716; 1984, c. 675.)

§ 58.1-3514. When cargo in transit not deemed to have acquired a situs for taxation.

Cargo, merchandise and equipment in transit which is stored, located or housed temporarily in a marine or airport terminal prior to being transported by vessels or aircraft to a point outside the Commonwealth, shall not acquire a situs for property taxation by the Commonwealth or any of its counties, cities or towns.

(Code 1950, § 58-834.3; 1983, c. 225; 1984, c. 675.)

§ 58.1-3515. Tax day January 1.

Except as provided under § 58.1-3010, and except as provided by ordinance or special act in localities authorized to tax certain property on a proportional monthly or quarterly basis, tangible personal property, machinery and tools and merchants' capital shall be returned for taxation as of January 1 of each year, which date shall be known as the effective date of assessment or the tax day. The status of all persons, firms, corporations and other taxpayers liable for taxation on any of such property shall be fixed as of the date aforesaid in each year and the value of all such property shall be taken as of such date, except that any county, city or town may permit a taxpayer to return as merchants' capital the average amount of capital employed in his business on such date and on the next preceding August first.

(Code 1950, § 58-835; 1979, cc. 571, 576; 1982, c. 623; 1984, c. 675.)

§ 58.1-3516. Proration of personal property tax.

A. The governing body of any county, city or town may provide by ordinance for the levy and collection of personal property tax on motor vehicles, trailers, semitrailers, and boats which have acquired a situs within such locality after the tax day for the balance of the tax year. Such tax shall be prorated on a monthly basis. Such ordinance may exclude boats or motor vehicles, trailers, and semitrailers with a gross vehicle weight of 10,000 pounds or more used to transport property for hire by a motor carrier engaged in interstate commerce, or both, from the property subject to proration of the personal property tax. For purposes of proration, a period of more than one-half of a month shall be counted as a full month and a period of less than one-half of a month shall not be counted.

Such ordinance shall also provide for relief from tax and a refund of the appropriate amount of tax already paid, which shall be prorated on a monthly basis, where any motor vehicle, trailer, semitrailer, or boat loses its situs within such locality after the tax day or after the day on which it acquires a situs (hereafter "situs day"). No refund shall be made if the motor vehicle, trailer, semitrailer, or boat acquires a situs within the Commonwealth in a nonprorating locality. When any person sells or otherwise transfers title to a motor vehicle, trailer, semitrailer, or boat with a situs in the locality after the tax day or situs day, the tax shall be relieved, prorated on a monthly basis, and the appropriate amount of tax already paid shall be (i) refunded or (ii) credited against the tax due on any motor vehicle, trailer, semitrailer, or boat owned by the taxpayer during the same tax year by the treasurer of such locality. Such refund shall be made within thirty days of the date such tax is relieved. No refund of less than five dollars shall be issued to a taxpayer, unless specifically requested by the taxpayer. When any person, after the tax day or situs day, acquires a motor vehicle, trailer, semitrailer, or boat with a situs in the locality, the tax shall be assessed on the motor vehicle, trailer, or boat for the portion of the tax year during which the new owner owns the motor vehicle, trailer, semitrailer, or boat and it has a situs within the locality.

Any person who moves from a nonprorating locality to a prorating locality in a single tax year shall be entitled to a property tax credit in the prorating jurisdiction if (a) the person was liable for personal property taxes on a motor vehicle and has paid those taxes to a nonprorating locality and (b) the owner replaces for any reason the original vehicle upon which taxes are due to the nonprorating locality for the same tax year. The prorating locality shall provide a credit against the total tax due on the replacement vehicle in an amount equal to the tax paid to the nonprorating locality for the period of time commencing with the disposition of the original vehicle and continuing through the close of the tax year in which the owner incurred tax liability to the nonprorating locality for the original vehicle.

B. Such ordinance shall provide for the filing of returns and payment of such tax. Such ordinance shall also exempt property from the levy of such personal property tax for any tax year or portion thereof during which the property was legally assessed by another jurisdiction in the Commonwealth and the tax paid. Such ordinance may provide that, notwithstanding any other date for billing and payment of local personal property tax, the locality may bill all personal property taxes assessed for a portion of the tax year less than the full year on or after December 15 of each year. The ordinance may further provide that such taxes shall be due not less than

thirty days after the date of the tax bill. If the tax is not paid when due, the penalty and the interest otherwise provided for by § 58.1-3916 shall be imposed based on the established due date.

(Code 1950, § 58-835.1; 1982, c. 433; 1983, cc. 36, 270, 273; 1984, cc. 276, 305, 471, 675; 1985, cc. 241, 258; 1986, cc. 51, 366, 541; 1987, cc. 212, 233; 1988, cc. 446, 726; 1989, cc. 29, 36, 329; 1990, c. 330; 1991, cc. 61, 624; 1992, cc. 602, 669; 1993, c. 557; 1996, c. 536; 2002, c. 550.)

§ 58.1-3516.1. Payment of taxes prorated under § 58.1-3516.

Notwithstanding the contrary language of §§ 58.1-3515, 58.1-3518, 58.1-3913, 58.1-3915, and 58.1-3916, or subdivision B of § 58.1-3516, relating to the tax day, or tax filing or payment dates, or dates on which penalty and interest are to be charged or added to delinquent tax returns or payments, or any other general provisions of law relating to such dates, the City of Winchester is authorized to provide, by ordinance, in combination with the adoption of proration of personal property taxes under § 58.1-3516, the following:

1. The payment of the personal property tax on any personal property subject to proration shall be due on the last day of the twelfth month after such personal property has acquired situs within the city; however, if the property loses situs in the City of Winchester, or if the taxpayer sells or otherwise transfers title to the property, the tax shall be due on the last day of the month following the month of the loss of situs or of the sale or other transfer of title of the property.
2. The penalties for failure to pay the tax on such personal property shall begin the day following the due date for the tax on the property.

The provisions of Subtitle III (§ 58.1-3000 et seq.) of Title 58.1 which are not in conflict herewith shall apply, with the respective differences having been considered, to the imposition and collection of personal property taxes by the City of Winchester, and the tax credit and exemption provisions of § 58.1-3516 for the payment of taxes to other jurisdictions shall specifically apply to any ordinance adopted under the authority of this section.

(1993, cc. 187, 324; 1995, cc. 131, 469.)

§ 58.1-3516.2. Payment of taxes on leased property by lessee; information to be furnished by lessor.

The lessor shall provide to every taxpayer that leases any motor vehicle pursuant to a contract that requires the lessee to pay the taxes thereon as provided for under this chapter, a written notice in bold print regarding the taxes to be paid by the lessee, and the lessor shall forward any such tax bill (or, in the case of a multi-vehicle tax bill issued to the lessor, a copy or facsimile of that portion of such bill that pertains to the lessee's vehicle) to the lessee within ten business days of receipt.

(1997, c. 398.)

§ 58.1-3517. Department of Taxation to prescribe and furnish forms of returns; use of local forms.

Blank forms of returns for reporting the classes of property mentioned in this chapter shall be prescribed by the Department of Taxation and furnished to the commissioners of the revenue in ample time for their use. The commissioner of the revenue of any county or city may use a local form in lieu of that prescribed by the Department.

(Code 1950, § 58-836; 1979, c. 576; 1984, c. 675.)

§ 58.1-3518. Taxpayers to file returns.

Every taxpayer owning any of the property subject to taxation under this chapter on January 1 of any year shall file a return thereof with the commissioner of the revenue for his county or city on the appropriate forms; however, the commissioner of the revenue may elect not to require such a return from any taxpayer who owns such property which does not have sufficient value to generate a tax assessment. Every person who leases any of such property from the owner thereof on such date shall file a return with the commissioner of the revenue of the county or city wherein such property is located giving the name and address of the owner, except any person leasing a motor vehicle which is subject to the tax imposed under § 58.1-2402. Such returns shall be filed on or before May 1 of each year, except as otherwise provided by ordinance authorized by § 58.1-3916.

Every fiduciary shall file the returns mentioned in this chapter with the commissioner of revenue having jurisdiction. Every taxpayer owning machinery and tools or business personal property, if requested by the commissioner of the revenue, shall include on his annual return of such property information as to the total of original cost by year of purchase. The cost should be the original capitalized cost or the cost that would have been capitalized if the expense deduction in lieu of depreciation was elected under § 179 of the Internal Revenue Code.

(Code 1950, § 58-837; 1974, c. 387; 1976, c. 547; 1978, c. 393; 1980, c. 317; 1984, c. 675; 1990, c. 705; 1995, c. 29.)

§ 58.1-3518.1. Alternative method of filing returns for motor vehicles, trailers and boats.

A. Notwithstanding the provisions of § 58.1-3518, the governing body of any county, city or town may provide by ordinance for an alternative method of filing personal property tax returns for motor vehicles, trailers and boats. Any such ordinance adopted pursuant to this section may provide for the annual assessment and taxation of motor vehicles, trailers and boats based on a previous personal property tax return filed by the owner or owners of such property. For those whose name or address has not changed since a previous filing and whose personal property has had no change in status or situs, the assessment and taxation of property may be based on a personal property tax return previously filed with the jurisdiction adopting such an alternative method.

B. Any jurisdiction adopting such an alternative method may require the owner of a motor vehicle, trailer or boat to file a new personal property tax return whenever there is: (i) a change in the name or address of the person or persons owning taxable personal property; (ii) a change in the situs of personal property; (iii) any other change affecting the assessment or levy of the personal property tax on motor vehicles, trailers or boats for which a tax return has been filed previously; or (iv) any change in which a person acquires one or more motor vehicles, trailers or boats and for which no personal property tax return has been filed.

C. Nothing in this section shall preclude any jurisdiction from assessing taxable personal property in accordance with § 58.1-3519 or assessing penalties and interest in accordance with § 58.1-3916.

(1994, c. 292; 1996, c. 322.)

§ 58.1-3519. Commissioner to assess property if taxpayer fails to file return.

If any taxpayer, liable to file a return of any of the subjects of taxation mentioned in this chapter, neglects or refuses to file such return for any year within the time prescribed, the commissioner of the revenue shall, from the best information he can obtain, enter the fair market value of such property and assess the same as if it had been reported to him.

(Code 1950, § 58-838; 1952, c. 711; 1954, c. 488; 1962, c. 578; 1984, c. 675.)

§ 58.1-3520. Local permits required before moving a manufactured home to the place where it is to be used as a place of residence; payment of property taxes before moving manufactured homes.

No manufactured home, as defined in § 36-85.3, intended for use as a full-time place of residence shall be delivered to or located upon the lot or parcel of real estate where the manufactured home will be used as a place of residence until the necessary permits for connection to water and sewer outlets have been secured, or if there be no existing water and sewer outlets, until permits for a well and septic system have been acquired from the local health departments.

The owner of any manufactured home moving the manufactured home into a county, city or town for use rather than for sale shall within ten days after moving the manufactured home notify the commissioner of revenue or director of finance of the county, city or town of his name, address and description and location of the manufactured home. No manufactured home which has been in use as a place of residence shall be moved from the county, city or town wherein it has been in use, until the owner thereof has obtained a tax permit from the treasurer of the county or city. Such permits shall be supplied to the treasurers by the Department of Taxation. The treasurer shall not issue a tax permit until such owner has paid to the city or county and town all local property taxes assessed or assessable against the manufactured home. The permit shall expire in forty-five days and shall be conspicuously displayed on the left center of the rear of the manufactured home at all times when such manufactured home is being transported. The seller

of a manufactured home subject to the provisions of this section shall deliver a copy of this section of the Code of Virginia to the purchaser at the time of the sale.

Any dealer in manufactured homes or any party having a secured interest in a particular manufactured home may use dealer plates as authorized in § 46.2-1550 in lieu of the tax permit required hereunder. Any such dealer or secured party who removes a manufactured home from a county or city on account of repossession or other operation of law shall notify the treasurer thereof before such removal.

The violation of this section shall constitute a Class 3 misdemeanor and be punishable as such.

(Code 1950, § 58-766.3; 1974, c. 426; 1982, c. 617; 1984, c. 675; 1994, c. 152.)

§ 58.1-3521. Manufactured homes; proration of tax.

Notwithstanding any other provision of this chapter, any city or county wherein a manufactured home, as defined in § 36-85.3, is delivered or moved after January 1, and used as a place of full-time residence by any person, may quarterly prorate any property taxes which would have been collectible had such manufactured home been situated within such city or county on January 1 of that year.

(Code 1950, § 58-829.3; 1960, c. 418; 1970, c. 655; 1976, c. 567; 1984, c. 675; 1994, c. 152.)

§ 58.1-3522. Assessment method for manufactured homes.

Manufactured homes installed according to the Uniform Statewide Building Code shall be assessed at the same time as the assessment of the real property on which the manufactured home is installed. Such homes shall be assessed in the same manner and using the same methods applied to improvements and buildings which are assessed in accordance with Article 7 (§ 58.1-3280 et seq.) of Chapter 32 of this title.

(1994, c. 152.)

(Effective until January 1, 2006) CHAPTER 35.1. Personal Property Tax Relief. (Effective January 1, 2006)

Attachment D
Virginia Personal Property Tax Relief Act of 1996
Changes for 2006

ITEM 503 OF THE 2005 SESSION REVISIONS TO THE 2004-06 APPROPRIATIONS ACT AS PASSED BY THE GENERAL ASSEMBLY ON FEBRUARY 27, 2005
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Central Appropriations (995)

503.	Personal Property Tax Relief Program (74600)	947,889,232	719,889,232
		890,089,232	742,389,232

Fund Sources: General	947,889,232	719,889,232
	890,089,232	742,389,232

Authority: Discretionary Inclusion.

A.1. Included in this Item is ~~\$947,889,232~~ \$890,089,232 from the general fund in the first year and ~~\$719,889,232~~ \$742,389,232 from the general fund in the second year to be used to implement a program which provides equitable tax relief from the personal property tax on vehicles.

2. The amounts appropriated in this Item provide for a local reimbursement level of 70 percent in tax years 2004 and 2005. The local reimbursement level for tax year 2006 is set at \$950.0 million pursuant to ~~Senate Bill 5005 of the 2004 Special Session~~ *Chapter 1 of the Acts of Assembly of 2004, Special Session I*. Payments to localities with calendar year 2006 car tax payment due dates prior to July 1, 2006, shall not be reimbursed until after July 1, 2006, *except as otherwise provided in paragraph F of this Item*.

B. Any unexpended balance remaining in this Item as of June 30, 2004, and June 30, 2005, shall be carried forward on the books of the Comptroller and shall be available for expenditure in the succeeding year. Any unexpended balance remaining in this Item on June 30, 2006, shall be carried forward on the books of the Comptroller and shall be available for expenditures in the next biennium, *including without limitation for the purpose of providing reimbursement to localities for personal property tax relief with respect to bills for tax year 2005 and earlier pursuant to paragraph D of this Item*.

C. *Notwithstanding the provisions of subsection B of § 58.1-3524, Code of Virginia, as amended by Chapter 1 of the Acts of Assembly of 2004, Special Session I, the determination of each county's, city's and town's share of the total funds available for reimbursement for personal property tax relief pursuant to that subsection shall be pro rata based upon the actual payments*

to such county, city or town pursuant to Chapter 35.1 of Title 58.1 of the Code of Virginia for tax year 2004 as compared to the actual payments to all counties, cities and towns pursuant to that chapter for tax year 2004, made with respect to reimbursement requests submitted on or before December 31, 2005, as certified in writing by the Auditor of Public Accounts not later than March 1, 2006. Notwithstanding the provisions of the second enactment of Chapter 1 of the Acts of Assembly of 2004, Special Session I, this paragraph shall become effective upon the effective date of this act.

D. 1. Except as provided in subparagraph D 2, the entitlement to personal property tax relief for qualifying vehicles arising under the provisions of § 58.1-3524 as it existed prior to the amendments made in Chapter 1 of the Acts of Assembly, 2004 Special Session I, for tax year 2005 and all prior tax years shall expire on September 1, 2006. The treasurer or other official charged with collection of personal property taxes levied upon qualifying vehicles may issue a supplemental tax bill for the full amount of any taxes, penalty and interest for tax year 2005 and prior tax years that remain due and owing as of September 1, 2006, or such earlier date as reimbursement with respect to such bill is no longer available from the Commonwealth, without regard to or credit for any reimbursable amount to which such qualifying vehicle would have been entitled pursuant to the provisions of § 58.1-3524 as it existed prior to the amendments effected by Chapter 1 of the Acts of Assembly of 2004, Special Session I.

2. Notwithstanding the provisions of subparagraph D 1, the Commonwealth shall honor requests for personal property tax relief reimbursement received from the City of Winchester with respect to bills rendered for the tax year 2005 through April 1, 2007. The treasurer of the City of Winchester may issue a supplemental tax bill for the full amount of any taxes, penalty and interest for tax year 2005 and prior tax years that remain due and owing as of April 1, 2007, or such earlier date as reimbursement with respect to such bill is no longer available from the Commonwealth, without regard to or credit for any reimbursable amount to which such qualifying vehicle would have been entitled pursuant to the provisions of § 58.1-3524 as it existed prior to the amendments effected by Chapter 1 of the Acts of Assembly of 2004, Special Session I.

3. Out of this appropriation, \$24,000,000 in the second year is provided to reimburse counties, cities, and towns for personal property taxes paid for qualifying vehicles for tax year 2005 and earlier which would normally have been paid on or after July 1, 2006. Such appropriation shall terminate the obligations of the Commonwealth under the Personal Property Tax Relief Act as it existed prior to the enactment of Chapter 1 of the Acts of Assembly of 2004, Special Session I.

E. The requirements of subsection C 2 of § 58.1-3524 and subsection E of § 58.1-3912, Code of Virginia, as amended by Chapter 1 of the Acts of Assembly, 2004 Special Session I, with respect to the establishment of tax rates for qualifying vehicles and the format of tax bills shall be deemed to have been satisfied if the locality provides by ordinance or resolution, or as part of its annual budget adopted pursuant to Chapter 25 of Title 15.2 of the Code of Virginia or the provisions of a local government charter or Chapter 4, 5, 6, 7 or 8 of Title 15.2 of the Code of Virginia, if applicable, specific criteria for the allocation of the Commonwealth's payments to such locality for tangible personal property tax relief among the owners of qualifying vehicles, and such locality's tax bills provide a general description of the criteria upon which relief has

been allocated and set out, for each qualifying vehicle that is the subject of such bill, the specific dollar amount of relief so allocated.

F. The Secretary of Finance may authorize advance payment, from funds appropriated in this Item, of sums otherwise due a town on and after July 1, 2006, for personal property tax relief under the provisions of Chapter 1 of the Acts of Assembly, 2004 Special Session I, if the Secretary finds that such town (1) had a due date for tangible personal property taxes on qualified vehicles for tax year 2006 falling between January 1 and June 30, 2006, (2) had a due date for tangible personal property taxes on qualified vehicles for tax year 2004 falling between January 1 and June 30, 2004, (3) received reimbursements pursuant to the provisions of Chapter 35.1 of Title 58.1 of the Code of Virginia between January 1 and June 30, 2004, (4) utilizes the cash method of accounting, and (5) would suffer fiscal hardship in the absence of such advance payment.

G. It is the intention of the General Assembly that reimbursements to counties, cities and towns that had a billing date for tax year 2004 tangible personal property taxes with respect to qualifying vehicles falling between January 1 and June 30, 2004, and received personal property tax relief reimbursement with respect to tax year 2004 from the Commonwealth between January 1 and June 30, 2004, pursuant to the provisions of Chapter 35.1 of Title 58.1 of the Code of Virginia as it existed prior to the amendments effected by Chapter 1 of the Acts of Assembly, 2004 Special Session I, be made by the Commonwealth with respect to sums attributable to such spring billing dates not later than August 15 of each fiscal year.